

From: "Tom W. Bernoski" <twbernos@provbank.com> on 04/08/2004 02:50:46 PM
Subject: Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

April 8, 2004
Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Docket Number 04-05

Dear Mr. Feldman:

Provident Bank appreciates the opportunity to comment upon ways to reduce the regulatory burden of Consumer Protection Lending - Related Rules as part of the FDIC's request for review under Section 2222 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA).

Provident Bank is a Maryland state - chartered, regional full - service commercial bank with \$5.2 billion in assets. Provident serves individuals and businesses in the dynamic Baltimore - Washington corridor through a network of 115 offices in Maryland, Northern Virginia, and southern York County, Pennsylvania. Provident offers a complete line of financial services that include retail and commercial banking and additional services through wholly - owned subsidiaries. Provident Bankshares Corporation is the holding company for Provident Bank.

In connection with the FDIC's current request, we recommend that the following Consumer Protection Lending - Related Rules are outdated, unnecessary, or unduly burdensome to the financial services industry and to the regulatory agencies that supervise these entities. In addition, we believe that these provisions do not offer the consumer any worthwhile or additional protections in today's marketplace.

Opportunities For

Regulatory Relief

Truth in Lending Act "TILA" and Regulation Z

1. Consumer Credit Protection Act Section 125 (d) and 12 CFR 226.23 (e)

Expand the consumer's right to waive the right of rescission beyond a bona fide personal financial emergency and minimize the burden on the lender for determining when such an "emergency" exists. Consumers should be able to waive the right for any reason, if they choose to do so.

2. Consumer Credit Protection Act Section 127 A (e) and 12 CFR 226.5b(e)

Repeal the requirement to provide open - end credit plan (HELOC) customers (secured by the consumer's principal dwelling) with a pamphlet published by the Federal Reserve Board pursuant to Section 4 of the Home Equity Consumer Protection Act of 1988. This pamphlet served its purpose during the early stages of HELOC development. Now that these products are so prevalent, customer awareness that "Your Home is on the Line" is no longer a necessity.

Home Mortgage Disclosure Act ("HMDA") and Regulation C

1. Home Mortgage Disclosure Act Section 302 and 12 CFR 203.1

Expand the purpose and scope of the Act and implementing regulations to include all residential dwelling - related lending products originated or purchased by a covered financial institution. As currently structured, the regulations permit financial institutions to exclude home equity lines of credit and to exclude dwelling - related loans not used for the following purposes: purchase, refinance and home improvement of a dwelling. Expanding the scope of the covered loan will make for consistent reporting requirements, reduced errors in reporting, and will therefore reduce the reporting and examination burden for financial institutions and the regulatory agencies. In addition, the additional level of reporting will provide interested parties with information on all dwelling secured loans made by financial institutions.

Equal Credit Opportunity Act and Regulation B

1. Equal Credit Opportunity Act and 12 CFR 202.5(d)(3) and (d)(5).

Copies of an applicants' driver's licenses could be a helpful tool in debt collection efforts on originated transactions of all types; including automobile and home equity loans.

Currently Section 202.5(d)(5) of Regulation B prohibits creditors from requesting the race, color, religion or national origin of an applicant, except as required for monitoring purposes.

Many financial institutions, like Provident, market and settle transactions of this nature out of their designated markets and rely upon third parties to settle the transaction. Having a photo identification in the file after settlement could assist with subsequent collection efforts when the identification of the consumer or the consumer liability for the debt is called into question. We believe that the safety and soundness benefits to retaining this information in the file outweigh any potential risks to a consumer.

We applaud the FDIC's leadership role in the effort to reduce consumer lending regulatory burdens to all affected parties. Thank you for considering Provident's views on this matter.

Sincerely,

Thomas W. Bernoski
Vice President and Compliance Officer

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